

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

November 22, 2013

VMERS Members present:

STEVEN JEFFREY, Chairperson, Employer Representative (term expiring July 1, 2014)

PETER AMONS, Employee Representative (term expiring July 1, 2016)

THOMAS GOLONKA, Employer Representative (term expiring July 1, 2016)

DAVID ROWLEE, Employee Representative (term expiring July 1, 2014)

STEPHEN WISLOSKI, Deputy VT State Treasurer representing ELIZABETH PEARCE,
Vermont State Treasurer

Board members absent:

None

Also attending:

Katie Green, Investments Manager

John Booth, Director of Treasury Operations

James Callahan, Ernie Shand and Jim Mullen, Town of Weathersfield

Mark DiStefano, Attorney General's Office

Laurie Lanphear, Director of Retirement Operations

Monica Chiren, Assistant to Tina Kawecki

The Chairperson, Steven Jeffrey, called the Friday, November 22, 2013 meeting to order at 9:03 a.m., which was held in the Tre-Fin Conference Room, fourth floor, 109 State Street, Montpelier, VT.

ITEM 1: Approve the minutes of October 23, 2013

On motion by Mr. Amons, seconded by Mr. Golonka, the Board unanimously voted to approve the minutes of October 23, 2013, as submitted.

ITEM 2: Set FY '15 employer rates and recommend to Legislature FY '15 employee rates

The Chair, Mr. Jeffrey, reviewed with the Board members the meetings that were held recently with the interested groups relative to the employer and employee rates. The Board reviewed possible rate increases that were discussed.

(Ms. Pearce arrived at this time and Mr. Wisloski left the meeting at this time.)

There was a discussion about rate sharing and how that would be accomplished. There was a discussion about future rate increases.

On motion by Mr. Golonka, seconded by Ms. Pearce, the Board voted to raise the employer contribution rates and to recommend to legislature to raise the employee contribution rates for FY 2015 (July 1, 2014 to June 30, 2015) as follows:

Group A employer rate and Group A employee rate: no change

Group B employer rate increase of .25% for July 1, 2014 Group B employee rate increase of .125% for July 1, 2014

Group C employer rate and Group C employee rate increase of .125% for July 1, 2014 and an additional .125% for January 1, 2015

Group D employer rate and Group D employee rate increase of .125% for July 1, 2014

(Mr. Callahan and Mr. Shand entered the meeting.)

ITEM 3: Review how a purchase is calculated

Ms. Lanphear reviewed with the Board members how staff calculates a purchase for Groups A, B, C and D. There was a discussion how the factors were obtained. Ms. Lanphear answered the questions posed by the Board members.

ITEM 4: Discuss Delta Dental Contract Extension

Ms. Pearce reviewed with the Board members the reason for extending the contract with Delta Dental for another year. Ms. Pearce indicated they would need to obtain a waiver from Administration to extend the contract. Ms. Pearce reviewed with the Board members the negative impact having a one-time open enrollment and annual open enrollments would have on the monthly premiums.

On motion by Ms. Pearce, seconded by Mr. Rowlee, the Board voted unanimously to renew the contract for one year with Delta Dental at the current premium rates.

(Mr. Mullen entered the meeting.)

ITEM 5: Discuss preliminary FY2015 budget request for VMERS that the Treasurer's Office prepares for Finance and Management

► PCORI Trust Fund Fee on RHS Plan

Mr. Booth provided the Board members with the revised FY2015 Budget. Mr. Booth appeared before the Board and reviewed the VMERS Fiscal Year 2015 Budget with the Board members. Mr. Booth explained to the Board members what item on the budget was revised. Mr. Booth reviewed the methodology which is utilized to obtain the VMERS portion of the expenses. Mr. Booth answered all the questions posed by the Board members.

Ms. Pearce provided the Board members a brief update on the VPAS project. Ms. Pearce indicated the VPAS project would be completed by the end of January.

The consensus of the VMERS Board was to accept the FY2015 budget as presented.

ITEM 6: Town of Weathersfield issue

Mr. Callahan presented to the Board members the Town of Weathersfield's view of the current situation with the Town of Weathersfield's librarian. Mr. Callahan presented the options available as they saw them. Ms. Lanphear answered the questions as posed by the Board members. The Chair, Mr. Jeffrey, indicated that they would discuss this issue further with legal counsel and then provide an answer to them.

(Mr. Callahan, Mr. Shand and Mr. Mullen left the meeting at this time.)

(Mr. DiStefano entered the meeting at this time.)

Ms. Lanphear indicated to the Board members what the cost would be for the Town of Weathersfield to buy the one and a half years of service for the librarian.

ITEM 7: Town of Richford issue

The Board reviewed with Mr. DiStefano the Town of Richford issue. The Board reviewed the correspondence that was sent and received. Mr. DiStefano indicated to the Board members their options relative to this issue.

On motion by Ms. Pearce, seconded by Mr. Golonka, the Board voted unanimously to authorize the Treasurer's Office to work with the Attorney General to draft a memo indicating the Board at this point does not have sufficient evidence to conclude that the members do meet the criteria of an employee under the statute, but to also indicate the Board would be willing to reopen this issue if additional information is provided, and to also indicate the members should also understand that there may be repercussions if there is a reversal of that decision.

It was indicated the letter would be sent to the members and the Town of Richford, along with all the information that was received.

The Board discussed with Mr. DiStefano the Town of Weathersfield issue. Mr. DiStefano indicated he will research this issue for the Board.

(Mr. DiStefano left the meeting at this time.)

ITEM 8: 2014 Legislative proposals

Ms. Pearce indicated there were no issues pending for this session since they took care of the housekeeping items during the last session. Ms. Pearce indicated they are reviewing the disability process for the other two boards and were hoping to clean up the language relative to that.

ITEM 9: Any other business to come before the Board

The Board discussed the VMERS representation on the VPIC Committee.

On motion by Mr. Jeffrey, seconded by Mr. Golonka the Board unanimously voted to agree to allow Mr. Jeffrey to step down as the VPIC representative and to appoint Mr. Golonka as the VPIC representative, and then to appoint Mr. Jeffrey as the VPIC alternate representative.

ITEM 10: Adjournment

On motion by Mr. Amons, seconded by Ms. Pearce, the Board unanimously voted to adjourn at 10:58 a.m.

Next Meeting Date:

The next VMERS meeting is scheduled for Friday, January 3, 2014 at 9:30 a.m. as an in-house meeting.

Respectfully submitted,

Tina Kawecki
Secretary to the Board